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Counsel to the Debtors and Debtors in Possession

> IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA RICHMOND DIVISION

- - - - - - - x In re: : Chapter 11 CIRCUIT CITY STORES, INC., : Case No. 08-35653 <u>et</u> al., Debtors. : Jointly Administered - - - - - - - - - x

MOTION OF THE DEBTORS PURSUANT TO 11 U.S.C. § 105, AND LOCAL BANKRUPTCY RULE 9013-1(M) FOR AN ORDER SETTING AN EXPEDITED HEARING

The debtors and debtors in possession in the abovecaptioned cases (collectively, the "Debtors") hereby

¹ The Debtors are the following entities: The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Circuit City Stores, Inc. (3875), Circuit City (cont'd) move the Court (the "Motion to Expedite") for the entry of an order, pursuant to 11 U.S.C. § 105 and Rule 9013-1(M) and (N) of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Eastern District of Virginia (the "Local Bankruptcy Rules"), setting an expedited hearing for July 23, 2009 at 11:00 a.m. on Debtors' Motion for Order Pursuant to Bankruptcy Code Section 363 (I) Authorizing Circuit City Stores, Inc. To Enter into agreement Modifying Contract with AAC Cross County Mall, LLC and (II) Authorizing Sale, Assignment, and Assumption of the Lease (the "Motion") and Debtors' Motion for Order Shortening Notice and Limiting Notice of the Motion (the "Motion to Shorten Notice" and collectively with the Motion, the "Motions"). In further support of the Motion to Expedite, the Debtors respectfully represent:

⁽cont'd from previous page)

Stores West Coast, Inc. (0785), InterTAN, Inc. (0875), Ventoux International, Inc. (1838), Circuit City Purchasing Company, LLC (5170), CC Aviation, LLC (0841), CC Distribution Company of Virginia, Inc. (2821), Circuit City Properties, LLC (3353), Kinzer Technology, LLC (2157), Abbott Advertising Agency, Inc. (4659), Patapsco Designs, Inc.(6796), Sky Venture Corp. (0311), Prahs, Inc.(n/a), XSStuff, LLC (9263), Mayland MN, LLC (6116), Courchevel, LLC (n/a), Orbyx Electronics, LLC (3360), and Circuit City Stores PR, LLC (5512). The address for Circuit City Stores West Coast, Inc. is 9250 Sheridan Boulevard, Westminster, Colorado 80031. For all other Debtors, the address is 9950 Mayland Drive, Richmond, Virginia 23233.

JURISDICTION AND VENUE

- 1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
- 2. The statutory bases for the relief requested herein are section 105(a) of the Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), and Local Bankruptcy Rule 9013-1(M) and (N).

BACKGROUND

- 3. On November 10, 2008 (the "Petition Date"), the Debtors filed voluntary petitions in this Court for relief under chapter 11 of the Bankruptcy Code.
- 4. The Debtors continue as debtors in possession pursuant to Bankruptcy Code sections 1107 and 1108.
- 5. On November 12, 2008, the Office of the United States Trustee for the Eastern District of Virginia appointed a statutory committee of unsecured creditors

(the "Creditors' Committee"). To date, no trustee or examiner has been appointed in these chapter 11 cases.

6. On January 16, 2009, the Court authorized the Debtors, among other things, to conduct going out of business sales at the Debtors' remaining 567 stores pursuant to an agency agreement (the "Agency Agreement") between the Debtors and a joint venture, as agent (the "Agent"). On January 17, 2009, the Agent commenced going out of business sales pursuant to the Agency Agreement at the Debtors' remaining stores. On or about March 8, 2009, the going out of business sales concluded.

RELIEF REQUESTED

7. On July 14, 2009, the Debtors filed the Motions. By this Motion to Expedite, the Debtors seek this Court's entry of an order setting an expedited hearing on the Motions for the scheduled hearing on Thursday, June 23, 2009 at 11:00 a.m. (the "Expedited Hearing").

BASIS FOR RELIEF

8. Concurrently herewith, the Debtors filed the Motion. The Motion seeks to modify the Prior Agreement (as defined in the Motion) to allow Circuit City to

assign the Lease to Assignee in consideration for a complete waiver of the Landlord's administrative claims, which the Landlord asserts exceeds \$141,289 (the "Administrative Claim").

- 9. The Debtors believe it is in the best interest of the Debtors' estates, their creditors, and other parties in interest for the Motion to be heard at the hearing on July 23, 2009 at 11:00 a.m. The Debtors are seeking authorization and approval of the Motion at this time because the assignment of the Lease to Assignee must be completed by the end of the July, which will result in more immediate money to the Debtors' estates. If the Debtors are able to immediately close the sale, it will result in a more immediate benefit to the Debtors' estates, which will in turn save the Debtors continued accrual of administrative expenses and thereby benefit the Debtors' estates.
- 10. Local Bankruptcy Rule 9013-1 allows the setting of a hearing on an expedited basis as requested herein. Attached hereto as $\underline{\text{Exhibit B}}$ is the certification required under Local Rule 9013-1(N).

11. Additionally, section 105(a) of the Bankruptcy Code provides this Court with the power to set expedited hearings. Section 105(a) states that a bankruptcy court "may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a).

NOTICE

12. Notice of this Motion to Expedite is being provided in accordance with the Case Management Order entered on November 13, 2008 (Docket No. 130). The Debtors submit that, under the circumstances, no other or further notice need be given.

WAIVER OF MEMORANDUM OF LAW

13. Pursuant to Local Bankruptcy Rule 9013-1(G), and because there are no novel issues of law presented in the Motion to Expedite and all applicable authority is set forth in the Motion to Expedite, the Debtors request that the requirement that all motions be accompanied by a separate memorandum of law be waived.

NO PRIOR REQUEST

14. No previous request for the relief sought herein has been made to this Court or any other court.

CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form annexed hereto as Exhibit A, granting the relief requested in the Motion to Expedite and such other and further relief as may be just and proper.

Dated: July 14, 2009 SKADDEN, A Richmond, Virginia FLOM, LLP

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- and -

MCGUIREWOODS LLP

/s/ Douglas M. Foley .
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Counsel for Debtors and Debtors in Possession

EXHIBIT A

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Counsel to the Debtors and Debtors in Possession

> IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA RICHMOND DIVISION

In re: : Chapter 11 CIRCUIT CITY STORES, INC., : Case No. 08-35653 et al., Debtors. : Jointly Administered

ORDER SETTING AN EXPEDITED HEARING

Upon the motion (the "Motion to Expedite")² of the Debtors for an order, pursuant to Bankruptcy Code section 105 and Rule 9013-1(M) and (N) of the Local

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

Bankruptcy Rules for the United States Bankruptcy Court for the Eastern District of Virginia (the "Local Bankruptcy Rules"), requesting an expedited hearing on the Motion; and the Court having reviewed the Motion to Expedite and the Motion; and the Court having determined that the relief requested in the Motion to Expedite is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and it appearing that proper and adequate notice of the Motion to Expedite has been given and that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED AND DECREED that:

- 1. The Motion to Expedite is GRANTED.
- 2. A hearing will be held on July 23, 2009 at 11:00 a.m., prevailing Eastern Time, to hear and consider the Motion.
- 3. Adequate notice of the relief sought in the Motion to Expedite has been given and no further notice is required.

	4.	The	Cour	rt retair	ns ju	uriso	diction v	with	1
respect	to all	mat	ters	arising	from	n or	related	to	the
implemer	ntation	of	this	Order.					
Dated:	Richmor	nd,	Virgi	inia					
					, 200	09			

UNITED STATES BANKRUPTCY JUDGE

WE ASK FOR THIS:

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Counsel to the Debtors and Debtors in Possession

CERTIFICATION OF ENDORSEMENT UNDER LOCAL RULE 9022-1(C)

Pursuant to Local Bankruptcy Rule 9022-1(C), I hereby certify that the foregoing proposed order has been endorsed by or served upon all necessary parties.

/s/ Douglas M. Foley
Douglas M. Foley

EXHIBIT B

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> IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF VIRGINIA RICHMOND DIVISION

Chapter 11 In re:

CIRCUIT CITY STORES, INC., : Case No. 08-35653

et al.,

Debtors. : Jointly Administered

- - - - - X

CERTIFICATION FOR EXPEDITED HEARING

The above-captioned debtors (collectively, the "Debtors") contemporaneously herewith are filing, the Motion of the Debtors, Pursuant to 11 U.S.C. § 105 and Local Bankruptcy Rule 9013-1(M), for an Order Setting an Expedited Hearing (the "Motion to Expedite"). In support thereof, and as required by Rule 9013-1(N) of the Local Bankruptcy Rules of the United States

Bankruptcy Court for the Eastern District of Virginia, the undersigned counsel for the Debtors certify as follows:

- 1. I am a member of the Bar of this Court, and I have carefully examined these matters and there is a true necessity for an emergency hearing.
- 2. The necessity for this emergency hearing has not been caused by any lack of due diligence on my part, but has been brought about only by the circumstances of the Debtors' chapter 11 cases.

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion to Expedite.

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3. Based upon the nature of the matters and the relief requested in the Motion to Expedite, no bona fide effort to resolve these matters without a hearing is possible.

/s/ Douglas M. Foley
Douglas M. Foley

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